Cultural authenticity and purchase intention of Chinese luxury brand logo

ABSTRACT

Chinese domestic luxury brands (CDLBs) increase in both sales and attention in academic research, due to rise of inconspicuousness consumption. However, there is little research on how cultural authenticity in logo influences on purchase intention of CDLBs. Based on signaling theory and power distance belief, this paper investigates this research gap by taking the cultural authenticity as signalling, inconspicuousness and brand trust as evaluation, and purchase intention as outcome. The study also examines the mediating effect of power distance belief between the inconspicuousness and purchase intention. Across three experiments, the researchers collected survey data from 210 individuals who lived in Beijing, Shanghai, Guangzhou, Shenzhen and Hangzhou, which are the cities which are ranked as highest luxury consumption cities in China. According to the findings of the study, the impact of cultural authenticity in logo on purchase intention is significant, and this impact is observed both directly and indirectly through the effects of inconspicuousness and brand trust. This study's results offer valuable information on methods to enhance customers' perception of cultural authenticity and increase their intention to purchase for CDLBs.

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Introduction

In recent years, a confluence of global events has indelibly shaped the contours of foreign capital investment within China. Notable among these transformative events are the far-reaching repercussions of the COVID-19 pandemic and the intricacies of trade regulations, particularly those stemming from the administration of former U.S. President Trump. These multifaceted dynamics have precipitated a discernible decline in foreign capital infusion, ushering in a period marked by a perceptible deceleration of the once-dominant paradigm of "globalization" (Liu et al., 2021).

This evolving global landscape has not only exerted profound effects on economic dimensions but has also wrought consequential shifts in consumer behavior and preferences, notably within the Asian market, with China

standing as a focal point. Within this narrative, the erstwhile juggernauts of the global luxury market—Gucci, Burberry, Chanel, and the like—have grappled with the challenge of maintaining their market share, while local brands in the Asian context have experienced a pronounced ascendance, an observation documented by Gupta & Wright (2019).

This transformative landscape extends its influence into the realm of China's luxury market, renowned for its voracious appetite for opulent consumption, particularly in the domain of Western luxury brands.

However, a noteworthy transformation is underway as of late, where Chinese domestic luxury brands (CDLBs) such as Shanghai Tang, Shang Xia, and MaoGeping have emerged as notable contenders. These brands have captured the discerning gaze of Chinese consumers,

embarking on a trajectory marked by surging sales and the burnished glow of an enhanced brand reputation (Wu et al., 2017).

The ascent of CDLBs has aroused considerable academic curiosity, resulting in numerous inquiries into the motivations behind the shifting purchasing behaviors of Chinese consumers. Central to this transformation is the concept of cultural authenticity, a defining factor influencing consumer choices between local and Western luxury brands. Cultural authenticity embodies distinctive cultural elements that bear the imprints of integrity and aesthetic grace, emanating from a specific culture. It demands exclusive cultural elements from a particular origin, aligning with the cultural values and aesthetic sensibilities of discerning consumers. In the hands of brand custodians, this concept assumes the role of a venerated vessel, encapsulating brand authenticity (Beverland, 2005; Napoli, Dickinson-Delaporte & Beverland, 2016).

While a multitude of studies have scrutinized the impact of various factors, such as size, shape, color, and typeface, on brand logos (Zheng, Shanat & Kanyan, 2022; Jiang, Gao & Shi, 2016), the intricate relationship between cultural authenticity and brand logos has remained a relatively underexplored terrain. Examination of Chinese cultural elements into logo design and its intricate dance with purchase intention unveiled a compelling narrative of positivity, illustrating the symbiotic relationship between the incorporation of Chinese traditional elements in brand logos and the fertile ground of purchase intention.

Nonetheless, it is essential to acknowledge that this prior scholarly exploration primarily centered on global luxury brands, leaving a research gap concerning the nexus between cultural authenticity and purchase intention in the distinctive context of CDLBs.

In this study, the researcher invokes the signaling theory by Spence (2002) as our theoretical underpinning, a construct that invites us to delve into the intricate realm of signals that shape consumer perceptions. While the original theory predominantly probes the realm of perception, a more expansive perspective, as illuminated by Mavlanova, Benbunan-Fich & Koufaris (2012), recognizes that brands profoundly influence the entirety of the consumer experience. This expanded view posits that individuals cultivate perceptions of brand authenticity based on cultural elements or heritage (Morhart et al., 2015), with consumption intention being guided by the perceived authenticity of the brand and the evocation of nostalgic experiences (Song & Kim, 2022).

Thus, this study extends this theory, scrutinizing the complex interplay between cultural authenticity, inconspicuousness, brand trust, and power distance belief, all of which significantly influence purchase intention.

Inconspicuousness, a hallmark of CDLBs, conveys luxury with subtlety, eschewing ostentation in favor of nuanced design elements (Kapferer, 2015). Yet, within academic circles, a gap persists—a paucity of understanding concerning the impact of CDLBs' brand logos on inconspicuousness and purchase intention.

To navigate this academic terrain, the researcher harness the prism of power distance belief (PDB), a facet of personal values stemming from the broader construct of power distance (Hofstede, 2001). PDB encapsulates individual expectations and acceptance of the asymmetries that underpin social interactions (Oyserman, 2006). It is a concept that has played a pivotal role in shaping beliefs and values, particularly within the domain of luxury consumption. Previous investigations have unveiled the notion that consumers characterized by low PDB exhibit a greater inclination toward embracing inconspicuous luxury items, as evidenced in the research of Jiang, Gao & Shi (2021). In this study, the researcher position PDB as a mediating factor, a bridge that connects the realms of inconspicuous consumption and purchase intention.

Furthermore, our study scrutinizes the role of brand trust in relation to the cultural authenticity embedded within CDLBs' logos. Trust, akin to an intangible thread, weaves the bonds of consumer-brand relationships, a concept that has gained prominence in branding literature since the late 1980s, particularly in the context of relationship marketing (Lantieri & Chiagouris, 2009). While prior research has illuminated the positive correlation between brand trust and purchase intention (Delgado-Ballester, 2004), there remains a dearth of studies explicitly examining the interplay of cultural authenticity within the ambit of CDLBs.

In light of the preceding literature and the research revelations hitherto expounded, our study embarks on a mission to unearth the intricate relationship between cultural authenticity and purchase intention within the realm of CDLBs. In the pursuit of this noble objective, the researcher meticulously dissect the profound impact of cultural authenticity on the domains of inconspicuousness and brand trust, weaving an academic tapestry of enlightenment. The researcher offers twofold contributions to the academic arena.

Firstly, it refines its focus, zeroing in on the intricate domain of cultural authenticity within CDLBs' logos, thereby extending the applicability of the signaling theory and shedding light on its relevance to purchase intention. In doing so, it seeks to empower brand custodians and future scholars with insights into the intricate dance between cultural authenticity and consumer intent. Secondly, it endeavors to infuse new vitality into the exploration of cultural elements' sway over consumer behavior. By untangling the enigmatic relationships between cultural authenticity,

inconspicuousness, brand trust, and power distance belief, our study aspires to mend the fragmented quilt of research and create new vistas of inquiry.

Literature Review and Hypothesis Development

CDLBs, and Cultural Authenticity (CA)

The idea of luxury originated from the Latin word "luxuria", meaning "extras of life" (Danziger, 2005). These extra or non-essential goods or services contribute to a luxurious lifestyle by offering excessive comfort or convenience beyond basic necessities. Brand researchers often identify "luxury" as the highest echelon of prestigious brand categories (Vigneron & Johnson, 2004). The definition of "Chinese Domestic Luxury Brands" or CDLBs is the it must originate in China, and its headquarter is also located in China, as well as the major managerial members should be Chinese (i.e., CEO, Chief Designer, the founder).

A brand must first be successful and recognized in its home market before it can expand internationally. If it fails to appeal to domestic consumers, it will have difficulty gaining traction abroad. The two successful examples of CDLBs are Shanghai Tang and Shang Xia, which there are extensive researches upon the two brands already (Guu & Huang, 2014; Heine & Gutsatz, 2015; Heine & Phan, 2013; Zhiyan, Borgerson & Schroeder, 2013). One factor that contributes to their success is fusing Chinese traditional culture into their brand and product design, showing their cultural authenticity (Heine & Gutsatz, 2015; Schroeder, Borgerson & Wu, 2015). The concept of authenticity is a complex one that encompasses multiple dimensions such as philosophical, psychological, and spiritual. Authenticity involves determining what is real and what is fake and can be defined as the genuineness, reality, or truth of something, as stated by Kennick (1985). Ram, Björk & Weidenfeld (2016) further explored the idea of authenticity, acknowledging its multi-faceted nature. For instance, Shanghai Tang incorporates Chinese elements in a refined manner. The brand has successfully captured the essence of China's sophistication, charm, cultural history, and liveliness (Shanghai Tang, 2010).

Culture plays a significant role in global marketing, and it's widely acknowledged that cultural background influences consumer behavior. (Steenkamp, 2019). There's general agreement that culture and cultural meanings serve as resources for branding processes and practices, and these cultural resources can be leveraged for effective brand development (Balmer, 2013; Allen, Fournier & Miller, 2008). Cultural authenticity, unlike brand authenticity, it is referring to how true to its culture (Beverland & Farrelly, 2010).

In this research, cultural authenticity of a brand is defined as the customer's perspective on the genuineness and veracity of the brand's cultural heritage, as it pertains to its origin. Given the fact that different consumers might perceive the message differently, it is necessary for the brand to determine the right audience in the right place. Using traditional cultural elements in branding can evoke a sense of shared identity and authenticity among members of a particular cultural group. This can be both convincing and credible on a cultural level (Ko & Lee, 2011). Using Shanghai Tang as an example, the value proposition of Chinese cultural heritage is integrated into its entire brand management process, including brand identity (logo and name), product development, and brand communications (Ko & Lee, 2011). As for Shang Xia, the notion of reviving Chinese traditional craftsmanship as core idea of the brand, as well as shown on entire brand visual, product and the stores (Schroeder, Borgerson & Wu, 2014). Therefore, incorporating of Chinese traditional elements and cultural heritage can be used as a tool that forms cultural authenticity and strengthen the competitiveness (Urde, Greyser & Balmer, 2007).

CDLBs' logo and CA

Due to the impact of brand logos on brand communication, researchers have placed a great emphasis on the visual design aspects of logo marks, particularly when it comes to the success of imply western culture in the logo (Henderson et al., 2003). The brand logo not only conveys the brand's core values, mission, and messages, but also reflects its cultural heritage. This makes the logo a significant factor in shaping consumers' perceptions of the brand (Salciuviene et al., 2010; Yorkston & Menon, 2004). For instance, the brand name "Shanghai Tang" is composed of two words which hold specific significance. By incorporating part of the founder's name, the brand name suggests an air of authenticity (Paulicelli & Clark, 2008). Therefore, logos often time utilized to establish desired brand associations (van Riel & van den Ban, 2001). Brand logo design can be comprised with logotype and mark (Southworth, 2019). The definition of logotype described as the name written in a unique typeface without any additional decorative elements (Doyle & Bottomley, 2006).

Pervious researches states that the use of language in the brand logotype is suggested as a way to communicate the brand's cultural authenticity (Larsen et al., 2002; Marian & Neisser, 2000). Thus, some CDLBs might have both English and Chinese characters in their logotype (i.e., Shanghai Tang), whereas other might only include English characters (i.e., Shang Xia) or Chinese characters (i.e., Maotai). The study conduct by Southworth (2019) suggests that the English characters alone might be a better choice for the brands that indicates western culture, however, the combination

of using both English and Chinese in the logotype has more positive impact on the cultural authenticity.

The brand mark, like the brand logo, is a powerful tool for communicating a brand's cultural authenticity. By incorporating visual elements that are specific to a brand's cultural heritage, the brand mark can create a strong sense of identity and establish credibility with customers (Safeer et al., 2022; Southworth, 2019). Committing to a specific visual or design style plays a crucial role in establishing cultural authenticity, Southworth (2019) in his study further proves that the cultural design elements in brand mark can have the positive influence on brand cultural authenticity, especially for Asian (i.e., Chinese) brands. The use of symbols and communication that embodies Chinese cultural elements has the potential to not only reflect the essence of China's cultural heritage but also evoke strong cultural associations and emotions in consumers, as stated by Huang, Huang & Wu (2019). The results of Southworth (2019) also indicates that a logo, particularly a logo symbol (mark), can possess a remarkable ability to transmit the cultural authenticity of a brand.

Inconspicuousness in CDLBs

Podoshen, Li & Zhang (2011) explored the phenomenon of Chinese consumers purchasing Western-style luxury goods as a means of showcasing prestige and social status, a behavior that is more prevalent in China and often referred to as conspicuous consumption. However, the once exclusive realm of luxury goods has become increasingly diluted due to the mass market penetration of luxury brands, the rise of nouveaux riche consumers engaging in conspicuous consumption, and the abundance of high-quality counterfeit products. This shift has caused a reorientation in the preferences of the elite, upper class consumers, who tend to shy away from overt status symbols and opt for more understated brands that rely on subtle design cues to communicate their prestige (Han, Nunes & Dreze, 2010). This means that inconspicuous luxury brands are characterized by having a low level of visual visibility, using subtle or discreet design elements, and avoiding any overt display of the wealth or social status of the consumers (Wu et al., 2017).

Over recent years, many researches start to pay attention of the rise of inconspicuousness in luxury purchasing (Wu et al., 2017). Based on the literal meaning, the "Inconspicuous consumption" has referred to the routine consumption of 'ordinary' goods and service.

Nevertheless, Berger & Ward (2010) found that some consumers avoid products with clear brand markings and instead use subtle signals only noticeable to those with the right knowledge. Inconspicuous consumption explained as not publicly display the social status and big logo (Berger & Ward, 2010).

These inconspicuous consumers try to stand out from the crowd by using these secret markers and reject flashy status symbols.

Chinese luxury brands that incorporate traditional and historical Chinese culture are becoming popular and gaining market share. These locally grown brands are attracting attention and interest (Heine & Gutsatz, 2015; Schroeder, Borgerson & Wu, 2015). Moreover, some studies also suggest that traditional cultural elements have potential positive correlation with inconspicuousness (Eckhardt, Belk & Wilson, 2015; Wu et al., 2017).

Cultural authenticity, as nonfinancial social assets, also possessed by the consumer in the particular cultural domain (Thornton, 1996). The consumption of historical and traditional elements in products and branding campaigns has the ability to evoke nostalgia and a feeling of being connected to an authentic past, which can lead to a sacred and mythic response (Zhou et al., 2013). Furthermore, in some collectivist societies, like China, nostalgia is the importance of relationships with others compare to the individualistic societies like the US. The study conducted by Wu et al. (2017) also suggests the positive correlation between Chinese cultural authenticity in brand design can induce inconspicuousness among Chinese consumers.

Wu (2022) also explored the process of building an inconspicuous Chinese luxury brand, which one of his suggestions is to exhibit authentic culture. In line with above discussion, the researcher develops the following hypothesis:

H1: The cultural authenticity has positive impact on inconspicuousness in CDLBs

Inconspicuousness and purchase intention in CDLBs

Previous studies mainly focused on the conspicuous luxury purchase intention. Based on the signaling theory, people purchase luxury to show their taste, wealth as well as their social status (Hennigs et al., 2012; Janssen, Vanhamme & Leblanc, 2017; Ko, 2020; Schroeder, Borgerson & Wu, 2015).

However, the trend towards inconspicuous luxury consumption can be attributed to the decline of traditional luxury goods as an indicator of wealth, a growing preference for subtlety over ostentation, and a heightened desire for sophistication and recognition from members of one's social group (Eckhardt, Belk & Wilson, 2015). Generally speaking, many young, wealthy consumer tend to hide their social status, and facilitating social equality by conducting inconspicuous luxury items (Jiang, Gao & Shi, 2021).

According to Berger & Ward (2010), individuals who possess a significant amount of cultural capital, tend to gravitate towards luxury brands that are subtle and have low visibility. The reason being that these types of luxury brands use discreet signals in their design and are only noticeable to those within the same group who have the necessary knowledge and understanding to recognize them. In line with above discussion, the researcher develops the following hypothesis:

H2a: Inconspicuousness has positive impact on purchase intention in CDLBs

PDB used as a common theory to predict and explain the consumption behaviour in luxury world (Jiang, Gao & Shi, 2021), as well as the general consumption. It reflects an individual's perspective on status differences, making it a significant factor in determining luxury consumption. Researches have shown that consumers with differing levels of PDB have distinct views towards consumption. The concept of PDB highlights the attitude towards status differences, making it a crucial factor in determining luxury consumption patterns. Studies have started to distinguish between inconspicuous and conspicuous luxury consumption, and are now exploring the reasons behind inconspicuous luxury consumption (Berger & Ward, 2010; Han, Nunes & Dreze, 2010).

Furthermore, the previous study suggests that the consumer hold with high power distance belief will more likely buying conspicuous luxury products. On the contrary, the individual holds low power distance belief will have more interest in inconspicuous luxury items (Brun & Castelli, 2013; Gil et al., 2012; Kim et al., 2012; Schade et al., 2016). The mechanism behind it might because the wealthy, low PD individuals tend to feel uncomfortable to showing their status publicly, and willing to promote social equality by purchasing inconspicuous items (Eckhardt, Belk & Wilson, 2015).

Based on the discussion, the researcher makes the following hypothesis:

**H2b:** The influence of inconspicuousness on purchase intention is mediated by PDB

CA and Brand Trust (BT) of CDLBs

Cultural authenticity has been repeatedly linked to brand trust (Eggers et al., 2013). Kumar & Steenkamp (2013) recently argued that Asian brands may need to highlight their cultural authenticity to improve consumers' trust. Trust is another important factor for Chinese luxury brands expend domestically as well as globally (Southworth, 2019). Brand trust refers to the confidence a customer has in the brand to deliver what they expect from it. The concept of brand trust plays a crucial role in the success of small-to-medium sized businesses. Eggers et al. (2013) discovered that the authenticity of a brand can lead to an increase in trust, thereby promoting growth across industries.

Napoli et al. (2014) found that consumers who view a brand as culturally authentic also tend to view it as credible, and credibility is the critical factor that construct brand trust (Southworth, 2019).

Based on these findings, the researcher makes the following hypothesis:

H3: Cultural authenticity has positive impact on CDLBs' brand trust
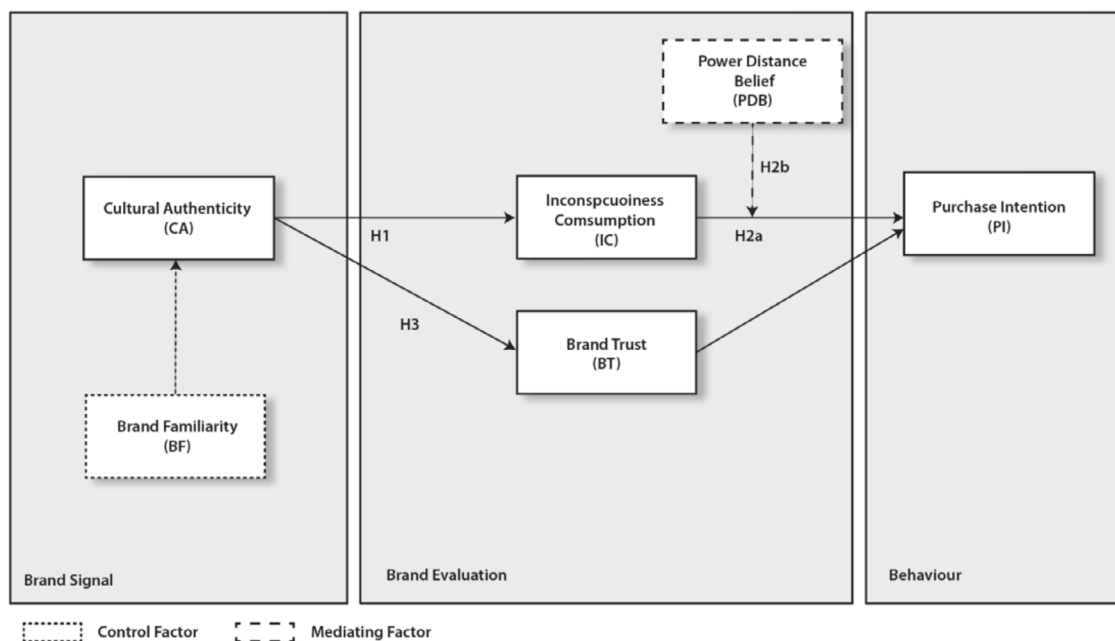
» **Figure 1:** *Theoretical Framework*

Brand familiarity (BF) as a controlling factor

BF is the knowledge that consumers acquire from brands and then retain in their memory through brand association. As a control variable, prior research has recognized that BF can affect purchase intention and brand attitude. Thus, we expect that BF will have an effect on purchase intention and brand trust in cultural authenticity as a controlling factor In CDLBs.

Methodology

Stimulates

To ensure that the results of the study accurately reflect the individuals' perceptions and not be influenced by the product categories, it is important to choose luxury products from a single product category (Lim & Ang, 2008). To ensure accurate results, three studies were conducted using fictitious products and brands to avoid any preconceived notions of the participants. Furthermore, the participants acknowledged that.

To manipulate the cultural authenticity level of the CDLBs' logo, the researcher conducted pre-study interviews with seven professors (3 Males and 4 Females, Average age: 41.6) and 20 graduate students (7 Males and 13 Females, Average age: 19.53) in business administration, who mostly had a research focus on cultural marketing. In order to determine suitable aspects of Chinese culture, the researcher adds the elements that repeatedly been recognized as representation of traditional Chinese cultural elements such as Chinese knot, bamboo as well as calligraphy and Song Ti (Chinese serif typeface). Furthermore, various literature review, semiotics, design, and history literatures also suggest that these elements are typical Chinese elements, therefore, further verify the effectiveness of selected cultural elements.

Realistic representation was achieved by using the logos on T-shirts, handbags, and store signs (Zheng, Shanat & Kanyan, 2022). Additionally, research has shown that brand familiarity has a positive impact on consumer perception of brand logos. To assess this, the researcher conducted surveys on brand familiarity before each study. The studies all applied with the fictional brand name and run the familiarity check, the result shows ("familiar", 1 = very unfamiliar, 7 = very familiar) ($M_{familiarity-Low CA}$ = 3.11, $M_{familiarity-High CA}$ =3.69, t (225) = 0.412, p > 0.1) the fictional brand familiarity does not significant in both low AC and High AC brand logo, therefore, the fictional brand name is valid for the studies. The level of cultural authenticity (CA) of the two logos is also been evaluated by the participants based on the scales 1 to 7 (1 = "not authentic at all", 7 = "very authentic", α = 0.72),

the result shows the significant difference in cultural authenticity ($M_{CA-Low CA}$ = 3.18, $M_{CA-High CA}$ =6.22, F (2, 220) = 0.412, p = 0.025), therefore, the two logos are valid for this study.

Participants

The study used Questionnaire Star, the largest online questionnaire website in China, to distribute and collect questionnaires from September to December 2022 in order to ensure effective and complete data collection from participants. 225 questionnaires were collected, but after removing those with conflicting or repeating answers to 8 consecutive questions, only 210 were deemed valid. The respondents are from cities: Shanghai, Hangzhou, Beijing, Guangzhou, Shenzhen. These five cities have been ranked as top 5 cities in luxury consumptions, and having tremendous fan, as well as aesthetic taste of luxury fashion. The gender distribution of participants was fairly balanced, with similar numbers of men and women taking part. The majority of participants were aged between 18 and 35, with an average of 22.79 years old, indicating that they have well-developed aesthetic tastes and values. 69.3% of which are female. The education level of the participants was largely high, with the majority being well-educated. Only 8.1% of participants had overseas experience, which suggests that they have a strong connection to Chinese cultural elements. 70.4% of participants had luxury shopping experience, and 46.2% of the participants heard or shopped CDLB before, therefore, the participants have sufficient knowledge and experience about luxury, as well as Chinese luxury brands. The participants in the study are from families with an annual household income greater than 500,000 CNY, which is considered the Chinese middle class.

Experiment 1

Procedure

In this experiment, the researcher tested whether the cultural authenticity has correlation with inconspicuousness, and the purchase intention as well as mediating effect of power distance. The participants been randomly divided into two groups to view the two logo that displayed on the T-shirt and bag.
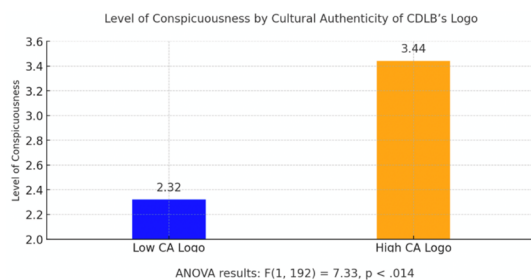
Initially, participants were asked to respond to questions related to their belief in power distance, using a Likert scale consisting of five items, ranging from 1 ("strongly disagree") to 5 ("strongly agree"). The questions included statements such as "People in higher positions should make most decisions without consulting people in lower positions," "People in higher positions should not ask the opinions of people in lower positions too frequently," "People in higher positions should avoid social interaction with people in lower positions," "People in lower

positions should not disagree with decisions by people in higher positions," and "People in higher positions should not delegate important tasks to people in lower positions."

Subsequently, the participants been asking about the following questions and rate the 5 points scale Likert chart. Participants were instructed to read an imaginary scenario in which they were shopping for a T-shirt in a luxury store. The scenario was adapted from (Pino et al., 2019). The questions include "How visible is the T-shirt's logo?", anchored at the extreme by "Not visible at all" and "Extremely visible"; "Do you think this logo attracts attention?", anchored at the extreme by "Not at all" and "attract a lot attention"; "The logo on the shirt is perceived with privilege?" anchored at the extreme by "Not at all" and "a lot of privilege"; "The logo on the shirt is perceived with social status?", anchored at the extreme by "Not at all" and "a lot of social status"; finally, the direct question been ask "How conspicuous the logo is?", anchored at the extreme by "Not conspicuous" and "really conspicuous".

Result and discussion

An ANOVA test reveals the main effect of cultural authenticity in CDLB's logo and its correlation with conspicuousness. The result ($M_{Conspicuousness-low CA}$ =2.32, $M_{Conspicuousness-high CA}$ = 3.44, $F_{(1,192)}$ = 7.33, $p < 0.014$, see Figure 2) shows the significant difference in high and low cultural authenticity, means the positive correlation with conspicuousness. The result supports the H1, the higher cultural authenticity in CDLBs' logo, the less conspicuousness.

» **Figure 2:** *Experiment 1 result*

Experiment 2

Procedure

Based on the experiment 1, the experiment 2 examines the conspicuousness and purchase intention, meanwhile, examining the mediating effect of power distance belief. Initially, participants were asked to respond to questions related to their belief in power distance, using a five-item Likert scale that ranged from 1 ("strongly disagree") to 5 ("strongly agree"). The questions used to measure belief in power distance consisted of five items, which were presented using a Likert scale ranging from 1 ("strongly

disagree") to 5 ("strongly agree"). These items included statements such as "People in higher positions should make most decisions without consulting people in lower positions," "People in higher positions should not ask the opinions of people in lower positions too frequently," "People in higher positions should avoid social interaction with people in lower positions," "People in lower positions should not disagree with decisions made by people in higher positions," and "People in higher positions should not delegate important tasks to people in lower positions."

Additionally, participants' purchase intention was measured using three items, including "I would purchase one of the wallets in the store," "I would consider buying a T-shirt from this store," and "The probability that I would consider buying a T-shirt from this store is high." All items were measured on a five-point Likert scale that ranged from 1 ("strongly disagree") to 5 ("strongly agree") (Deng & Wang, 2020).

Result and discussion

One way ANOVA test reveal the result that inconspicuousness is positively correlated to purchase intention (PI) of CDLBs ($M_{PI-High Conspicuousness}$=3.17, $M_{PI-Low Conspicuousness}$ = 4.03, $F_{(1,187)}$ = 5.81, $p < 0.03$, see Figure 3). Therefore, the hypothesis H2a is supported.

A mediation analysis was conducted to examine whether power distance mediates the relationship between inconspicuousness and purchase intention of Chinese luxury brands. The results of the regression analyses indicate that there was a significant negative direct effect of inconspicuousness on purchase intention for high power distance consumers (β =-.40, $p < .05$), and a significant positive direct effect for low power distance consumers (β = .60, $p < .001$).

This suggests that high power distance consumers have lower purchase intention when the brand logo is inconspicuous, whereas low power distance consumers have higher purchase intention under the same condition. A bootstrap analysis revealed that the indirect effect of inconspicuousness on purchase intention through power distance was also significant (ab =-.07, 95% CI [-.12,-.03]).

Furthermore, the total effect of inconspicuousness on purchase intention was also significant (c = .20, $p < .05$). However, when power distance was included as a mediator in the model, the direct effect of inconspicuousness on purchase intention for high power distance consumers was further reduced (c' =-.10, $p > .05$), suggesting partial mediation by power distance. Based on the result, H2b hypothesis is also supported.

As per the study results, power distance belief plays a partial mediating role in the association between incon-

spicuousness and purchase intention of Chinese luxury brands. The findings suggest that high power distance consumers show lower purchase intention when the brand logo is inconspicuous, while low power distance consumers exhibit higher purchase intention under the same circumstances.
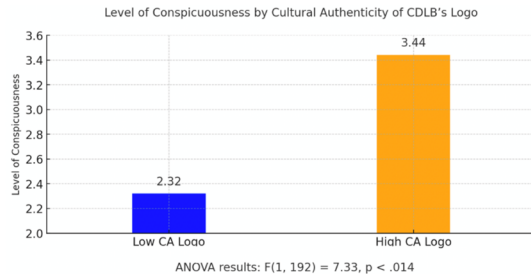
» **Figure 3:** *Experiment 2 main effect*

Experiment 3

Procedure

The experiment 3 examined the cultural authenticity relation brand trust. The experiment 3 also applied with 5 scale Likert questionnaire that ranged from 1 ("strongly disagree") to 5 ("strongly agree").

The questions included "How likely would you be to recommend the brand to your peers and colleagues?" "How likely would you be to discuss about the brand with your peers and colleagues?" and "Do you believe that the brand would be trustworthy?".

Result and discussion

The results indicated a significant positive correlation between cultural authenticity and brand trust, $F(1, 194) = 33.56$, $p < .001$, $\eta^2 = .148$. Post-hoc analyses showed that there were significant differences in the mean scores for brand trust between the low cultural authenticity group ($M = 3.08$, $SD = 0.83$) and the high cultural authenticity group ($M = 4.06$, $SD = 0.71$), $t(194) = 6.73$, $p < .001$, $d = 0.95$.

Participants in the high cultural authenticity group were significantly more likely to recommend the brand ($M = 4.21$, $SD = 0.68$) and discuss it with their peers and colleagues ($M = 3.95$, $SD = 0.78$) compared to those in the low cultural authenticity group (recommend: $M = 3.31$, $SD = 0.76$, $t(194) = 8.15$, $p < .001$, $d = 1.15$; discuss: $M = 2.86$, $SD = 0.89$, $t(194) = 9.17$, $p < .001$, $d = 1.29$).

In summary, the results of this study indicate that Chinese domestic luxury brands that score high on cultural authenticity are viewed as more trustworthy by consumers. These brands are also more likely to be recommended and discussed among peers and colleagues, compared to those with low cultural authenticity scores.

Discussion

The aim of research was to find how the cultural authenticity of CDLB's logo will influence of the purchase intention. And the three experiments were conducted and shown the positive impact of cultural authenticity on purchase intention.

Conclusion

The results of the three experiments confirm the significance of including cultural authenticity in CDLBs' logo design, as evidenced by its positive impact on both purchase intention and brand trust. The findings suggest a direct and positive correlation between cultural authenticity and inconspicuous branding, as well as brand trust. Moreover, the results validate the mediating effect of power distance belief on the relationship between inconspicuous branding and purchase intention. As such, this study offers both practical and theoretical contributions to the field.

Theoretical contribution

This study makes several important theoretical contributions. Firstly, it is the first research to examine the impact of cultural authenticity in visual elements on the purchase intention of Chinese domestic luxury brands. While previous research has focused on the effect of different languages on foreign branding, decision-making, and brand trust (Portal, Abratt & Bendixen, 2019; Southworth, 2019), little attention has been paid to the role of cultural authenticity in consumer behavior research. This study addresses this gap and provides insights into why Chinese consumers, particularly those with low power distance, are more drawn to logos with high cultural authenticity.

Secondly, the study contributes to the existing signaling theory, particularly in the context of marketing and logo design. While previous studies have confirmed the positive impact of cultural authenticity on purchase intention in Chinese time-honored brands like restaurants (Song & Kim, 2022), this study demonstrates that cultural authenticity also influences inconspicuousness and brand trust. The study shows that the signaling theory can effectively explain how consumers perceive cultural authenticity in Chinese domestic luxury fashion brands.

Thirdly, the study sheds light on the mediating effect of power distance belief. The results suggest that power distance belief acts as a mediator and has an indirect effect on purchase intention. Therefore, the study highlights the importance of aligning signals with the characteristics of signalers, such as power distance beliefs. Additionally, the study analyzes conspicuousness in emerging markets and emphasizes that conspicuous brand marking as a marketing tactic remains relevant in such markets.

However, the study also suggests that CDLBs can apply inconspicuous strategies even in emerging markets like China. Thus, the study provides a contextual contribution to the field.

Practical contribution

The study's findings have significant marketing implications for Chinese luxury brand marketers, as they need to tailor their brand marketing communication strategies based on their target market. While previous research has indicated that Chinese domestic luxury brand marketers should incorporate Chinese traditional elements in their clothing and product designs, this study highlights the importance of incorporating these elements into logo design as well. By doing so, brands can enhance brand trust and inconspicuousness, which are critical factors that influence purchase intention.

Moreover, luxury brand marketers need to consider their brand strategy and align it with consumers' power distance beliefs, as suggested by Kim & Zhang (2014). Marketers can use segmentation and profiling techniques to identify and engage with high power distance belief consumers effectively. However, marketers also need to be cautious about applying cultural authenticity in their logos as consumers' power distance beliefs may affect their purchase intention. Higher power distance individuals may have lower purchase intention for inconspicuous luxury brands that incorporate cultural authenticity in their logos.

Therefore, this study highlights the importance of understanding the target market and using a nuanced approach to brand marketing communication strategies to achieve desirable outcomes for Chinese domestic luxury brands. By doing so, marketers can effectively engage with their target market and improve brand image, trust, and purchase intention.

Limitation and future research direction

The study has made progress in advancing the understanding of the concept of cultural authenticity and its impact on purchase intention of CDLBs. The first limitation is the research only consider the Chinese market, but exclude the participants from different countries, i.e., United States, since these counties have different purchasing behaviour. Furthermore, the individuals from the different cultural environment be considered as different signal receivers, therefore, the future study can extend this research, as well as signaling theory by investigating the different cultural background. Secondly, the future study can also examine the visual complexity and how it impacts CDLBs' logo, since various studies suggest that Chinese traditional elements usually come with more complex visual appearance, therefore, visual complexity

might be one of the factors that influence how individual perceives the brand as well as the purchase intention of CDLBs. This research and pervious literature also state the rise of inconspicuous consumption in China, however, the future study can also investigate into specific segment of CDLBs, for example, jewelry, cosmetic or furniture. Moreover, the future study can also examine what segment of CDLBs is having better response when applying cultural authenticity in their brand logo.

Certainly, addressing these pressing queries would be a valuable contribution to the study of luxury goods consumption, cultural authenticity and purchase intention. By investigating these questions, researchers and marketers could gain a deeper understanding of how cultural authenticity affects consumer behavior and purchasing decisions, which could lead to more effective marketing strategies and better outcomes for Chinese domestic luxury brands. The methodology employed in this study is not without limitations. For instance, the experiments conducted did not incorporate diverse Chinese traditional elements in the logotypes.

Therefore, future research endeavors should be designed with a broader range of features to address this aspect. Furthermore, future studies can expand the application of the logo to various scenarios, such as handbags, watches, and store signage. This is particularly relevant as these scenarios have been examined in previous research endeavors. By exploring the logo's effectiveness and impact in diverse contexts, a more comprehensive understanding can be gained as well (Zheng, Shanat & Kanyan, 2022).

Furthermore, future studies could benefit from incorporating a greater diversity of survey locations. Rather than solely focusing on the top five cities, it would be advantageous to include cities that possess significant potential for luxury consumption, such as Chengdu. Additionally, expanding the inclusion criteria to encompass a wider range of age groups would enhance the comprehensiveness of the research.

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